REMARKS

Reconsideration and allowance of this application are respectfully requested in view of the above Amendment and the discussion below.

Applicant's invention, as claimed, concerns a user-friendly multi-product, multi-currency, and multi-market evaluation and negotiating tool for limit recourse project finance. It provides a standardized approach to project evaluation and enables a user to model the purchase of inputs and procure capital goods. He can also reinvest. The user can set a startup of operations month. The user can model the sale of output. In the operations phase he can set fixed operating costs and variable inputs. He can simulate maintenance cost and different output levels and sales contracts.

The present invention provides the ability to model the financing aspects of a project. The user can inject equity and loan funds into a modeled project company and create and test alternative scenarios. This is particularly relevant in project finance, where project sponsors create a company specifically for the purpose of undertaking a project (for example to build and operate a gas liquefaction plant or a toll road), and need to decide how much equity and long term debt the company should take on and what limited recourse will be required to make the project company bankable.

Another advantage of the presently claimed invention is to allow the user to simulate stress scenarios to test the robustness of the model. The lenders who provide funds to a newly created project company are keenly interested in how such a company will withstand exogenous shocks like, for example, variations of exchange rates or changes of sales and/or input prices. This is important for the design of limited recourse that can for example take the form of standby loans.

In order to appreciate an application of the present invention, it is useful to understand the requirement for making projections. Projecting the viability of a project is part of the due diligence of lenders and form an integral part of project preparation of large project finance deals. A financial model contains a

forward looking mathematical representation of the activities of the project company and their interrelation (formulae) over time. The resulting equation system is quite complex and must ensure the consistency of the financial statements in every single period. Based on assumptions made by the financial modeler like sales prices per unit of output and price trends over the analyzed time horizon, such models must endogenously generate cash flow, income statement and balance sheet projections. For example, variable input prices might be projected to rise more rapidly than sales receipts over time causing a reduction in cash flow available for debt service. Should available cash flow for debt service be insufficient, the project company might have to rely on limited recourse like standby loans and the model should draw down standby loans. This has repercussions for the income statement and the balance sheet.

The mathematical complexity explains why, in conventional financial models, the formulae representing an individual project company are written (hard coded) into spreadsheets. As each case differs, for each new deal a new conventional model has to be created. This is time consuming, subject to human error, difficult to audit, requires special skills and is therefore quite costly.

It is the contribution of the presently claimed invention to provide a tool that makes redundant this complicated step of writing the formulae for each new case into spreadsheet(s) and adapting these spreadsheets by hand as new information becomes available. Instead, the present invention provides the user with a GUI that allows him to enter such information in a standardized manner for a wide range of projects. The present invention does the "hard work" and the user does not need particular modeling skills. The user can generate financial statements at any time of the evaluation process (quick and dirty draft, feasibility study, negotiations). Further, the user may manually add formulae (for example a negotiated sales price formula) should the specifics of a case make this necessary.

Furthermore, it is important to appreciate the distinction between a financial model and an accounting program. Financial models differ from

accounting programs: commercially available accounting programs (like for example Peachtree) organize existing information according to double-entry accounting rules. It is quite straightforward to generate financial statements if the actual cash flows are known. Such programs however cannot answer hypothetical questions like: how much will a standby loan will be drawn down in the second quarter of the fiscal year eight years from now if a relevant exchange rate changes x% and input prices increase 3% more than assumed in a base case? Is the foreseen limit recourse sufficient for the project to withstand such stress?

To answer such questions conventional financial models or the present invention model are required.

Claim 49 is provisionally rejected under the judicially created doctrine of double-patenting over claim 48 of co-pending application no. 09/781,964. Claim 57 is also provisionally rejected over claim 55 of the co-pending application and claim 60 is rejected over claim 57 of the same co-pending application. Claims 61 and 62 are also provisionally rejected over the respective claims 58 and 59 of co-pending application no. 09/781,964.

Applicant respectfully traverses these rejections on the grounds that claim 49 has been amended to further define over claim 48 of co-pending application no. 09/781,964 and additionally claim 48 of the co-pending application recites "automatic regenerating and manually editing variable interest rate time series. . ." which is not a part of independent claim 49 of the present application. Dependent claims 53, 57 and 60-62 depend from and contain all of the limitations of independent claim 49 and are thus also not obvious variations of the corresponding claims in co-pending application no. 09/781,964.

Claims 49, 51, 53-56, 58, 60, 61, 63, 66-69, 73, 74, 76-78 and 80 have been rejected under 35 U.S.C. §102 as unpatentable over Wood (U.S. Patent No.: 5,381,332 in view of Stout, Jr. et al. (U.S. Patent No.: 5,878,404) as indicated at pages 8-12 of the patent Office Action. Additionally, claims 57, 59, 62, 64 and 71 have been rejected as unpatentable over the above two references and further in view of the "Dictionary of Finance and Investment Terms" as detailed at pages

12 and 13 of the patent Office Action. Claims 65 and 70 have been rejected under 35 U.S.C. §103 as unpatentable over Wood and Stout Jr. et al and further in view of "College Accounting, Seventh Edition" as detailed at page 13 and 14 of the patent Office Action. Finally, claims 72 and 75 have been rejected over the combination of Wood, Stout and Access 97 Bible.

Prior to discussing the specifics of each of the relationships between the claims and the prior art, an overview of the structure and workings of the references and how these particular pieces of prior art function with respect to the area of computerized project management is now provided.

Computerized project management tools collect information describing the organization that is implementing a project. Such information consists for example, of project budget, available personnel, materials and supplies required or available for the project and time constraints. The data are processed to generate information that allows for assessment and forecasting of the progress of the project during implementation. Such tools help for example with the scheduling of large engineering projects.

The reference to Woods describes two common tools: a Network Scheduling Tool and a Performance Measuring Tool. Woods invention consists of the creation of a bridge tool that allows synchronizing the parallel functioning of a Network Scheduling Tool and a Performance Measuring Tool in a particular project.

(a) A Network Scheduling Tool (NST) maintains a database tailored to the requirements of network scheduling and resource management. It allows the user to create and maintain a baseline and milestones for project implementation and to allocate resources to specific tasks. The user receives during the implementation status information and can edit/update the work/resource schedule. A typical application of an NST would be the implementation of a complex construction contract involving different departments of an organization and requiring multiple resource input.

(b) A Performance Measuring Tool (PMT) as described by Woods (Column 1, line 38) is useful in allocating budgets and in controlling and otherwise managing a project's cost. As Woods

> points out the structure of data used in conventional NSTs is less complex than the structure of conventional PMTs. Conventional NSTs assume resource usage is linear over time (after 50% of the time for a work unit has passed 50% of resources are consumed) whereas PMTs control how actual performance conforms to budgets. Woods states, that PMTs cannot be easily expanded to include NST functions because of the higher safety requirements of a PMT that do not allow for easy changes of approved baselines. Woods notes further, that NSTs are usually under the control of management that is responsible for project completion, while PMTs are operated by financial staff.

Woods invention consists in a bridging tool that allows processing information collected by the NST and importing such information in an adequate format into a PMT. The NST staff is made responsible to collect certain information relevant for the PMT. The bridging tool insures that the information transferred to the PMT from the NST has the correct form and that the data in the NST and PMT are correlated. Figure 5 of Wood lists data processed by the bridge. They consist of Unique Performance Measurement Data (UPMD) like for example Work Breakdown Structure Identifier, Milestone Weight, and Performing Department Identifier. The bridge processes further Common Activity Network Scheduling Data like Work Unit Description, Early and Late Start Dates and Common Resource Network Scheduling Data like Resource Name, Resource Planned and Resource Remaining. A user of a conventional NST would for example supply information contained in records 510 (Fig. 5 of Woods) operating an NST in a conventional manner.

An NST file may be used by the bridge to establish a base line. After the baseline has been established and implementation is underway, planned and actual data might differ. The difference is recognized by statusing and the user can use the bridge to transfer status data from NST to PMT. The program would allow updating all records relating to a WBS_ID until all files in NST file 512 are processed. Likewise status data can be transferred. The bridge allows editing of data. The user can approve or reject changes or restore a previously archived baseline.

In essence, Wood permits the parallel and synchronized operation of two different computerized project management tools.

While computerized project management tools like NSTs and PMTs are used for micro-planning, micromanaging and micro-tracking of resources and budgets, financial models look at the whole picture of a project company including sources and uses of funds during the construction and operation phase. Financial models evaluate the financial viability of a project. Detailed work unit information is irrelevant and of no interest to the financial modeler and usually also not available. Such information is typically proprietary to a contractor and might not be easily disclosed to a financial modeler working for example in an investment bank. All a modeler needs to know is what cost are to be expected during the construction phase and when and in which currency cash outflows from the project company to the contractor are expected. Such information is fed in as aggregate monthly, quarterly, half-yearly or yearly figures into the financial model.

By their very nature project management tools cannot be developed into financial models. A NST, a PMT or a combination of an NST and a PMT in combination with Woods bridge tool are most unsuitable as a starting point for a financial model for a number of reasons:

a. The information collected in computerized project management tools is inadequate for financial modeling purposes. The information in a computerized management tool is relevant to the implementation of one or more projects within an organization. It deals with "getting the job done" from a contractors point of view and does not address the question of financial viability of a project, which is important to the investor.

   To evaluate the financial viability of a project company a typical financial model requires information on aggregate capital expenditure, and among others, information on:

   - loans disbursements, repayments
   - interest rates
   - exchange rates

- tax rates
- fixed operating costs
- input prices and input output coefficients to calculate variable operating costs
- expected capacity usage during operating phase
- limited recourse tools

A NST or PMT collects none of that information as it is irrelevant to the purpose of computerized project management tool.

The financial model must represent this information in mathematical form and contain the mathematical interrelation of the different elements (formulae) over time. Further, it must ensure the balancing and consistency of financial statements.

b. An NST, PMT or a combination with Woods bridge program are software that is not appropriate for financial modeling. A financial modeler typically works with a spreadsheet program, or might use tool like the PFANT. Financial models do not track or need to track micro-information irrelevant to their task.

c. Financial models are shared between involved parties, for example the banks participating in a loan syndication. This is conventionally done by exchanging spreadsheet files. It is hard to imagine how such mobility can be achieved if NST and PMT programs and Woods bridge tool need to be installed in organizations like for example banks or export credit agencies that are not involved in micromanaging/scheduling activities.

A combination of an NST with a PMT using Wood's bridge tool focuses on the efficient management of the implementation of complex tasks. The present invention is an evaluation tool that allows assessing the financial viability of a project company. It would not be desirable or practical to turn a NST, a PMT or a combination of an NST and a PMT with Wood's bridge tool into a financial modeling tool for a project company.

The reference to Stout Jr. et al. provides a system for managing the amortization of a loan which automatically resets the rate of interest of fixed rate loans but holds the rate of interest stored in memory fixed in the absence of a user's election to reset the rate. This is relevant if a substantial drop in market

interest rates makes a refinancing of a fixed rate mortgage interesting. Should the user elect to keep his time payment (sum of interest and principal payment) constant, a resetting of the interest rate results in a reduced term (number of payments to be made). Otherwise, the payment (sum of interest and principal payment) is reduced as the interest payment goes down. Stouts Jr. et al's invention is useful to banks using computer-based loan management systems which store and process loans information on existing loans and debtors especially in refinancing of housing mortgages.

Stout Jr. et al. provide a tool to manage existing loans. A management tool differs fundamentally from an evaluation tool of the present invention. Stout Jr. et al. cannot be used to evaluate questions typically raised in the context of financial modeling. An evaluation tool of the present invention allows the user to model appropriate financing (for example degree of leverage) to ensure the financial viability of the project while taking into account the conflicting interests of participants.

A financial modeler will look at different interest rate scenarios and their implications for multiple commonly applied ratios. He will then decide on the number of loan installments (term in Stout Jr. et al's terminology) a project can support. For example, the modeler might conclude that a loan can be repaid in 20 half-yearly installments. The number of installments will be the result of negotiations with lenders who might have different views on the project's cash generating capacity. Some project types have cash flow patterns that can require grace periods and fine tuned repayment patterns. For example a toll road might experience little traffic at the beginning and only over time traffic and cash inflows pick up. In such a case the individual repayment amounts and their evolvement over time must be tailored to the situation and will vary according to the project's needs. The modeler will enter various interest rate/loan installment combinations and assess their implications.

Further, Stout Jr. et al. do not deal with foreign exchange gains or losses that can occur if a loan is denominated in a foreign currency. The present

invention provides a convenient GUI that allows the user to solve the complex set of equations describing the interaction of the loan with other components of the financial model like debt service reserve accounts the and to assess different scenarios.

According to the statement of the rejection with respect to independent claim 49, the reference to Wood is cited at column 7, line 44 to column 8, line 13 for including a method for implementing a machine readable financial simulation computer program. Applicant submits that this portion of Wood cites an example of a performance measuring data used by PMT. The PMD's (performance measuring data) are organized into work break down structures with numerous elements. Such structures contain work packages (lowest level of hierarchy) and each work package includes scheduled start and completion date. Additionally, resource spending information, milestones and earned value methodologies can be included. Cost count elements function as management control points at which budgets, earned valued estimates and actual costs are accumulated and monitored. Detailed information is collected to allow micro-tracking and managing of a project. This allows tracking individual work units and control for budget overruns. <u>However</u>, the collected information and the manner of collection is not suitable for a financial model. Additionally, the Office Action indicates that the installing of a program which is contained as a computer readable code is disclosed by column 4, lines 26-59 of Wood. These lines contain a general description of a bridging tool which allows synchronizing a NST with a PMT. Neither an NST nor a PMT are anywhere similar to a financial model. As indicated in the previous discussion a bridging between a NST and a PMT <u>cannot be</u> compared to a financial model or a tool which allows undertaking financial modeling tasks such as the presently claimed invention.

Because the presently claimed invention is fundamentally different, as claimed, from the bridge tool of Woods, the only commonality is that both programs are installed as a computer readable code but this is of no consequence with respect to the claimed specifics.

Lines 51 to 62 of column 10 of Woods have been cited for multiple contacts and multiple capital expenditures. These lines described how an NST file may be used by the bridge program to align a base line established in the NST with the PMT. The task of synchronizing is different from entering multiple capital expenditures as specifically recited in claim 49 into the financial model of a project company. Additionally, column 5, lines 1-9 of Woods lists various types of resources collected in a computerized management tool for scheduling of resources and personal and tracking of costs. A computerized project management tool collects information in a form which is different from the presently claimed invention and for a different purpose, which is to schedule task and monitor performance and <u>not</u> for financial viability calculations. Multiple contacts as entered into financial models consist of cash outflows of a project company for aggregate capital contracts over time and information regarding depreciation. In a financial model contract information is entered in an aggregate form and is not broken down into work units.

The secondary reference to Stout Jr. et al has been cited for selecting a desired loan financing time horizon; generating a disbursement schedule with an indication being given by the Examiner that the primary reference to Wood does not disclose the recited limitations concerning project related loans. Applicant submits that Stout Jr. et al provides a tool for managing existing loan and such a management tool differs fundamentally from the evaluation tool of the presently claimed invention. Stout Jr. et al could not be used to evaluate questions concerning financial modeling. It is noted that official notice was taken that it is old and well known to maintain the substance of a loan as constant. According to the example given in the rejection, if the lender does not care whether the borrower makes additional purchases or uses different currencies because the lender is only concerned that the borrower make timely adequate payments. The conclusion of the rejection is that it would have been obvious to maintain a simple loan package by maintaining independence of payments from these factors and that it would have been obvious to allow a borrower to determine the

percentage of a capital expenditure to be financed because this would allow the most profitable use of cash reserves.

Applicant respectfully submits that the statements concerning "Official Notice" are in some instances incorrect. That is, lenders in project finance deals do care whether the borrower makes additional purchases or uses different currencies as additional investments/loans could endanger the repayment capacity of a project company. Further, different currencies introduce exchange rate risks and can endanger the financial stability and repayment capacity. It is for that reason that there exists covenants in loan contracts which restrict the borrower's right to undertake further investments or to take on additional debt. The purpose of making a loan independent of capital expenditure or exchange rate is not to help make sure payments are clearly allocable to a particular loan agreement. This would be required in an accounting tool. Separating the disbursements, interest and financial payments of a loan from capital expenditures and foreign exchange rates allows the modeler to test the robustness of the limited recourse package designed for the deal. The modeler must want to test the impact of a capital expenditure increase holding loan disbursements constant. The increase would have to be buffered, for example, from limited recourse stand-by loans. While the generation of financial statements is quite straight forward based on double entry accounting methods for know cash in-out flows, the generation of forward looking mathematically interlinked projections in a financial model of a project company is most assuredly not an obvious variation given the references of record.

An integration of loans into a NST, PMT or Woods bridge tool would be impractical as a result.

In addition to the above mentioned distinctions, the Applicant has amended independent claim 49 to more clearly recite the above discussed feature.

The reference to Stout has been cited for disclosing manual redesign of individual repayment amounts and the Examiner concludes that it would be obvious to combine with Woods.

Applicant's traverse this indication and conclusion. Stout Jr. et al, at column 6, reads "Fig. 6 shows a flow chart which illustrates a payment/term routine that in one embodiment of the invention may be interposed between the rate adjustment module as outlined in Fig. 5 and the loan origination and administration module. The payment term routine changes either the time payment or the balance of the loan term in response to the debtor's newly elected rate of interest. .... If he chooses to reduce the required time payment, then the payment is reduced and the remaining term is unchanged. ... In response to the reset time payment amount, the loan payment module allocates received time payments between principal and interest in accordance with known amortization methods."

Thus, Stout Jr. et al. allow the user to reset the interest rate to refinance the loan. When the user recalculates a loan with the (lower) refinancing interest rate the user can elect to reduce this time payment (for example his monthly mortgage payment) leaving the term constant (for example 30 years on a 30 year mortgage) or he can reduce the balance of the loan term (pay the same monthly mortgage payments and repay the loan faster).

In the context of financial modeling a manual repayment plan means something quite different: a toll road for example will generate relatively little cash after it is opened. Over time, traffic patterns change, people settle along the road and traffic picks up. Therefore the cash generating capacity of the toll road increases. In project finance models this is taken into account by manually adjusting the repayment of principal to the payment capacity as it evolves over time. The selected pattern is individually adapted to the deal and each installment of principal might be different. This pattern is not defined by variations of the interest rates, but rather by the specific needs of the borrower, something that is not considered in Stout Jr. et al's program.

Further, changes to a manual repayment plan as defined above have repercussions on the calculation of debt service reserve accounts, not mentioned in and not part of Stout Jr. et al.

It is indeed well known to prohibit paying off a loan early. The claim does however not try to prevent that. The lender and the borrower can agree on any manual repayment pattern including repayment of the loan in one installment. From a modeling point of view it is only important to prevent that the user enters a repayment amount for a period that is larger than the loan utilization in that period otherwise the loan would show negative principal.

As a result, Applicant submits that manual repayment means something quite different in Stout Jr. et al. Stout Jr. et al. is not applicable to the presently claimed invention.

Further, it is acknowledged that such concepts as designing manually the repayment plan for a loan, the building of inventories, investment and maintenance etc., are well known. However, the contribution of the present invention, as claimed, consist in providing a method to implement such concepts in a speedy and convenient manner in a forward looking evaluation tool for a project company with limited recourse instruments.

With respect to the indication that Official Notice is taken that it is old and well known for a company to build inventories.

Applicant submits that the generation of financial statements including the build up of inventories is not obvious but rather quite complex in forward looking evaluation tools.

Additionally, concerning the Official Notice that the sharing of cash flow risk with a supplier is old and well known in business. Applicant submits that method claim 54 now recites that the input price is a function of the output price subject to a minimum price. Price fluctuations on the output side can be channeled to the supplier making him bear thus part of the cash flow risk. Further, the generation of financial statements is not obvious but rather quite complex in forward looking evaluation tools.

The rejection of claim 55 is based on an interpretation by the Examiner that Wood discloses selection of a time to produce a unit at Fig. 5, "Work Start Date" and "Work End Date"

However, Wood refers in Fig. 5. to the time it takes to perform individual work packages. This could be for example land clearing, construction of factory buildings. Claim 55 refers to the production time for a unit of output during the operation phase of a project. For example, it takes a refinery a certain time to distill a barrel of petroleum. This is a fundamentally different concept.

In order to reject claim 56, Official Notice is taken that an income statement for a period and a balance sheet prepared at the end of the period would inherently account for output variations including maintenance shutdowns.

In response it is submitted that an NST, a PMT or a combination of an NST with a PMT using a bridge deals with the scheduling/implementation of a project. Such tools cannot serve as basis for a financial model. Further, the generation of financial statements is not obvious but rather complex in forward looking evaluation tools.

The basis for rejection of claims 58 and 60 is that, according to the Examiner, Wood discloses variables related to products at Col. 14, line 8 to Col 15, line 7.

However, claim 58 mentions impact on changes of key variables on limited recourse availability. This question is of interest to project parties assessing the financial robustness of a project. Claim 60 refers to inputting various variables per product. Wood is not concerned with limited recourse. Wood therefore does not apply to claims 58 and 60.

Wood has been cited for disclosing different product sales contract types at Fig. 6 in order to reject claim 61. However, Fig. 6 lists different percentage rates X/Y for the percentage of a work package earned upon starting and completion of work on the working package. This does not constitute a sales contract. A sales contract for the output of an operating project as refereed to in claim 61 must

calculate the output units sold and build accounts receivable account depending on the average days it takes before payment is received. Wood therefore does not apply.

Pre-Payment of loans is well known in financial arts according to the rejection of claim 63. This is true. However, a sweep is quite difficult to model in conventional financial models that are hard-coded into spreadsheets. The generation of financial statements is not obvious but rather quite complex in forward looking evaluation tools.

Official Notice is taken by the Examiner that investment and maintenance expense accounts are old and well known in accounting and financial arts in order to reject claims 66 and 67. While it is time true that such accounts are well known. However, the present invention is not an accounting tool but rather a forward looking financial projection tool taking into account the mathematical interaction in financial statements. Claims 66 and 67 refer to the automatic generation of reinvestment and the automatic generation of maintenance during the project life.

Again, it is quite straightforward to demonstrate such functions in an accounting tool if cash flows are known. The implementation of reinvestment and maintenance in a forward looking projection environment is mathematically complex and far from obvious. The improvement of the present invention makes further hard-coding of maintenance and reinvestment expenditures into spreadsheets redundant.

In rejecting claims 67 and 68, the Office Action states that although Wood does not specifically disclose various learning curves reflecting "learning curve" experience in start up of a business, Official Notice is taken that it is old and well known to account for such a phenomenon. Applicant submits that Wood does not disclose learning curves because an NST or PMT deals with micro-managing a project. Such tools are not designed to deal with representation of the operational phase of a project in an evaluation tool. Wood therefore does not apply.

Learning curves are indeed well known. But again, it is quite straightforward to demonstrate a learning curve in an accounting tool if cash flows are known. The generation of financial statements with learning curves is not obvious but rather quite complex in forward looking evaluation tools.

Although the prior art recites updating various financial known measurements based on newly entered data, such updating is necessary to fairly represent new financial conditions, as is alleged. However, the present invention discloses a forward looking projection and not an accounting tool that inputs known payment amounts.

Although Wood does not specifically disclose financial statements as claimed, Official Notice is taken that such statements are old and well known in accounting. As indicated previously, Applicant acknowledged that financial statements are well known and it is straightforward to generate such financial statements using an accounting tool like for example Peachtree if cash in- and outflows are known. The generation of financial statements is not obvious but rather quite complex in forward looking evaluation tools.

The comments concerning claims 68 and 69 apply with regard to the rejection of claim 74.

Claim 76 was rejected because Wood discloses an option to change input time periods at Fig. 5. It would have been obvious according to the rejection to provide flexible date inputs for the claimed fields to allow for modification of the simulation.

Applicant submits that claim 76 refers to the option to change the start up date of operations of a project. For example, in case of a refinery this would be the date the refinery starts to process for example crude oil on a commercial basis the first time. Testing the impact of changes of the startup date in a financial model is important because construction time overruns can happen. Banks usually stipulate a latest date in the loan agreements for repayment of principal to kick in. If a plant is not operational at that time (because of

construction time overruns), the debt servicing capacity of a project can be in question.

Wood discloses in Fig. 5 data processed by the bridge to synchronize a NST with a PMT. These data include the Early Start/Early Finish/Late Start/Late Finish/Planned Start and Planned Finish dates of individual work units. This refers to individual work units of a project. This is quite different from the limitations of claim 76 and therefore Woods does not apply.

The rejection of claim 78 is traversed on the same grounds addressed with respect to claims 71 and 74.

The rejection of claim 80 contains an indication that Wood discloses GUIs at Figs. 1 and 5 However, Applicant disagrees because Fig. 1 is a schematic of two computer terminals one running an NST and the other running a PMT with one of the computers also operating Woods bridge tool. Fig. 5 represents a list of data processed by the bridge tool invented by Wood. It is true that a computer screen as depicted in Fig. 1 can be used to display a graphical user interface. However, Figs. 1 and 5 do not represent graphical user interfaces.

Claims 57, 59, 62, 64 and are rejected under 35 U.S.C. §103(a) as being unpatentable over Wood in view of Stout and further in view of Dictionary of Finance and Investment Terms.

The instruments discussed in the rejected claims are well known as the examiner points out in view of Dictionary of Finance and Investment Terms and it is not contended that they were introduced by the present invention. However, the mathematical representation of such features in conventional financial models up to this date is done by writing in each case the complex mathematical interrelationships into spreadsheets. This is a costly and time consuming task that the present invention makes redundant.

Further, the generation of financial statements is not obvious but rather quite complex in forward looking evaluation tools.

More particularly, according to the rejection of claim 57, Wood discloses the invention substantially as claimed. See discussion of claim 49. Wood does

not specifically disclose a cost plus contract but the "Dictionary: discloses this limitation at page 124.

Applicant wishes to indicate that a PMT allows allocating a budget to a work unit and to track performance. Claim 57 refers to the sale of output by a project company. This is quite different. Wood does not apply and the previous comments concerning the Dictionary apply here.

With regard to claims 59, 62, 64 and 71, Wood is cited for disclosing the invention substantially as claimed. Although Wood does not specifically disclose equity subscription or break even testing or debt service accounts, the Dictionary discloses these limitations at page 124, according to the rejection.

As previously indicated, a NST, PMT or a combination of both using a bridge tool allows to schedule and micromanage the implementation of projects. They are not financial models. Wood therefore does not disclose an equity subscription plan as such a plan has no relevance to or place in an NST or PMT. Wood does not apply.

The rejection of claim 65 relies on "College Accounting" for disclosing the depreciation of Capital Assets over a period. Applicant submits a PMT allows allocating of a budget to a work unit and to track performance. Claim 65 refers to depreciation of assets during the operating phase of a project. This is quite different. Wood does not apply. As to the College Accounting, the previous comments concerning the "Dictionary" apply.

In rejecting claim 7, the Examiner takes Official Notice that automatic and manual recording of corporate and property tax data was old and well known at the time of the invention. For example, such taxes payable accounts were used to record liabilities to tax authorities. Additionally, the rejection indicates that the use of the phrase " ...tax rate time series" is exemplary of the difficulty caused by the time series phrasing. It is unclear what constitutes such a series and the Specification provides no insight, according to the rejection.

Applicant submits that the automatic and manual recording of property and tax data is well known. In a financial model representing a project company

the tax basis has to be calculated as result of an intricate mathematical interaction of all the factors going into an income statement. It is one thing to use an accounting tool to record known tax obligations or tax obligations resulting from known payments and quite another to generate such tax obligations endogenously in a financial model. Tax aspects are hard-coded into spreadsheets in conventional financial models. It is the contribution of the present invention to make that step redundant.

With respect to "time series" according to Webster (2003 Barnes & Noble Publishing Inc, ISBN 0-7607-4975-2, page 1985) a time series is "a set of observations, results, or other data obtained over a period of time. Usually at regular intervals: monthly sales figures, quarterly inventory data, and daily bank balances are all time series. "

A tax rate time series as claimed in claim 70 is a tax rate for each month of the analysis time horizon that is used in the financial model. As tax rates can change over time and might be known to change in the future, it is important to be able to manually edit such tax rates as different tax rates might apply over the project life time. The present invention uses the tax rate for each respective month to calculate the resulting tax payment obligations. In a conventional financial model the tax calculations are hard-coded into a spreadsheet. It is the improvement of the present invention to make that step redundant.

The rejection of claims 72 and 75 relies on the validation during input of data resulting from a showing of the Access 97 Bible Accounting.

It is submitted that the autocorrect function for data entry of Microsoft Access allows the user to enter wrong data into an entry form. Feedback is provided to the user only once the focus goes to another entry field. For example, a user can enter "aaaa" into a numeric field and Microsoft Access would create an error message only once the user leaves an entry field.

The present invention would immediately delete an "a" entry once the first "a" has been entered into a numeric entry field providing a much more immediate feedback.

The quoted text from the Access 97 Bible Accounting refers to "provide automatic corrections to text you frequently mistype and replace abbreviations with the long names they stand for automatically." This is quite different from the feature described above. Further, the user has to teach Access first what typing errors to correct.

Therefore, in view of the distinguishing features between the claimed invention and the references, as detailed above in independent claim 49 and the dependent claims 50-82 and in view of the changes to the claim structure to obviate the rejections under 35 U.S.C. §112, Applicant respectfully request that this application be allowed and be passed to issue.

If there are any questions regarding this amendment or the application in general, a telephone call to the undersigned would be appreciated since this should expedite the prosecution of the application for all concerned.

If necessary to effect a timely response, this paper should be considered as a petition for an Extension of Time sufficient to effect a timely response, and please charge any deficiency in fees or credit any overpayments to Deposit Account No. 05-1323 (Docket #038659.49088US).

Respectfully submitted,

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Vincent J. Sunderdick
Registration No. 29,004

CROWELL & MORING LLP
Intellectual Property Group
P.O. Box 14300
Washington, DC 20044-4300
Telephone No.: (202) 624-2500
Facsimile No.: (202) 628-8844
VJS:ddd

#362881